



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
Fax-On-Demand 202 / 418-2830  
TTY 202 / 418-2555  
Internet: <http://www.fcc.gov>  
<ftp.fcc.gov>

**DA 05-2867**  
**Released: October 31, 2005**

**DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL  
OF NETWORK TELEPHONE CORPORATION TO TALK AMERICA INC. AND  
TALK AMERICA HOLDINGS, INC.**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 05-300**

**Comments Due: November 14, 2005**

**Reply Comments Due: November 21, 2005**

On October 19, 2005, Network Telephone Corporation (“Network Telephone”), Talk America Inc. (“Talk America”) and Talk America Holdings, Inc. (“Talk Holdings,” and together with Talk America, “Talk”), filed an application, pursuant to sections 63.03 and 63.04 of the Commission’s rules,<sup>1</sup> seeking approval to transfer control of Network Telephone to Talk.<sup>2</sup>

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission’s rules because after the proposed transaction: (1) Talk will have a market share in the interstate, interexchange market of less than ten percent; (2) Talk will provide competitive services exclusively in areas served by dominant local carriers that are not parties to the proposed transaction; and (3) the Applicants are not currently dominant with respect to any domestic service, and will not become dominant with respect to any domestic service after consummation of the proposed transaction.<sup>3</sup>

<sup>1</sup> 47 C.F.R §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

<sup>2</sup> Network Telephone and Talk are referred to herein collectively as the “Applicants.” Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

The Commission previously approved the transfer of control of Network Telephone from NT Corp. to ITC DeltaCom, Inc., however the transfer was never consummated. *See Notice of Streamlined Domestic 214 Applications Granted*, WC Docket Nos. 04-392 & 04-393, DA 04-3649, Public Notice (rel. Nov. 19, 2004); Letter from Yaron Dori, Partner, Hogan & Hartson L.L.P., to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 04-392 & 04-393 and File Nos. SES-T/C-20041001-01572 & ITC-T/C-20041001-00386/390 (filed Feb. 4, 2005).

<sup>3</sup> 47 C.F.R. § 63.03(b)(2)(i).

Network Telephone, a privately-held Florida corporation, is a facilities-based telecommunications company that provides local and long distance telephone service, and data services primarily to small and medium sized business customers in Alabama, Florida, Georgia, Kentucky Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. Network Telephone is a direct, wholly owned subsidiary of NT Corporation (“NT Corp.”), a privately-held Delaware corporation. The following entities hold ten percent or greater ownership interests in NT Corp.: (1) Spectrum Equity Investors III, L.P., a Delaware limited partnership, (12.85%); (2) Private Equity Investors IV, L.P., a Delaware limited partnership, (16.72%); and (3) Diamond One LLC, a Florida limited liability corporation, (17.05%).

Talk America, a Pennsylvania corporation, is authorized to provide local and long distance telecommunications services virtually nationwide and offers a bundle of these phone services to residential and small business customers. Talk America is a direct, wholly owned subsidiary of Talk Holdings, a publicly held Delaware corporation. No entity owns directly or indirectly ten percent or more of the equity of Talk Holdings.

In addition to Talk America, Talk Holdings has three other subsidiaries that offer domestic telecommunications services: (1) Talk America of Virginia, Inc., which provides local and long distance services to customers in Virginia; (2) The Other Phone Company, Inc., which provides local and long distance services to customers in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and (3) LDMI Telecommunications, Inc., which provides local and long distance telephone service, and data services primarily to small and medium sized business customers in Michigan and Ohio and long distance services throughout the United States.

On October 18, 2005, the parties signed an Agreement and Plan of Merger (the “Agreement”) providing for Talk America’s acquisition of all of the issued and outstanding capital stock of NT Corp. Following completion of the Transaction, Network Telephone will remain a direct, wholly owned subsidiary of NT Corp. and NT Corp. will be a direct, wholly owned subsidiary of Talk America, which itself will remain a direct, wholly owned subsidiary of Talk Holdings.

Applicants state that the proposed transaction is in the public interest because the transaction will be generally transparent to Network Telephone’s customers. The Applicants also assert that the transfer of control will not result in a change of carrier and Network Telephone will continue to provide the same services at the same rates, terms, and conditions as at present and any future changes in the rates, terms, and conditions of service will be made consistent with applicable law.

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective

and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before November 14, 2005** and **reply comments on or before November 21, 2005**.<sup>4</sup> Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31<sup>st</sup> day after the date of this notice.<sup>5</sup> Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol

---

<sup>4</sup> See 47 C.F.R. § 63.03(a).

<sup>5</sup> Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

**You may submit comments, identified by the above noted docket number, by any of the following methods:**

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or phone: 202-418-0530 or TTY: 202-418-0432.

**In addition, one copy of each pleading must be sent to each of the following:**

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, [www.bcpiweb.com](http://www.bcpiweb.com), phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; email: [tracey.wilson-parker@fcc.gov](mailto:tracey.wilson-parker@fcc.gov);
- (3) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C211, Washington, D.C. 20554; e-mail: [adam.kirschenbaum@fcc.gov](mailto:adam.kirschenbaum@fcc.gov);
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: [susan.o'connell@fcc.gov](mailto:susan.o'connell@fcc.gov); and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: [james.bird@fcc.gov](mailto:james.bird@fcc.gov).

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail [www.bcpiweb.com](http://www.bcpiweb.com).

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Adam Kirschenbaum at (202) 418-7280.

**- FCC -**